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S E C R E T SECTION 01 OF 02 KUALA LUMPUR 000483

SIPDIS

FOR EAP, EAP/MTS AND INR

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TAGS: PREL PGOV MARR MOPS ID MY

SUBJECT: MALAYSIANS DOWNPLAY MARITIME TENSIONS WITH
INDONESIA

REF: JAKARTA 974 -- POLITICAL TENSIONS OVER BORDER

Classified By: Political Counselor Mark D. Clark for reasons 1.4 b and d.

Summary

¶11. (S) Malaysia continues to downplay tensions with Indonesia stemming from naval incidents in late May in the disputed Ambalat maritime area off of Borneo. After an initial period of silence from Malaysian officials and minimal coverage in the Malaysian press, Defense Minister Zahid went on the record June 7-10 to explain Malaysia's position in an attempt to help defuse the situation. The Malaysian Chief of Defense Forces also met with military counterparts in Jakarta June 9-12 during a previously scheduled visit. The MFA Under Secretary for Southeast Asia indicated to Charge on June 11 that the issue is manageable and attributable largely to Indonesian presidential election politics and an overzealous Jakarta press. Senior Malaysian naval officers and Kuala Lumpur based naval attaches from neighboring countries have privately noted to us that the Indonesian rhetoric and reactions to this border incident appear more strident than in the past. There's been no change to Malaysia's defense posture in the disputed area as far as Post is aware. End Summary.

Background

¶12. (SBU) Several encounters between Malaysian and Indonesian naval vessels on May 25 and May 30, respectively, in the disputed Ambalat waters off of eastern Borneo triggered a heated public reaction from the Indonesian side, according to various Indonesian media and Indonesian government accounts. The Malaysian government and media did not independently confirm or provide details of the naval encounters. Malaysia officially considers the disputed waters as part of its territory. Maps of the area from the Petronas national oil/gas company clearly mark the disputed territory as Malaysian, although there is no indication from the Malaysian side of any active oil and gas exploration or development in the area. A 2002 International Court of Justice decision gave Malaysia sovereignty over two disputed islands in the vicinity, namely Sipadan and Ligitan.

Malaysian Government Reaction

¶13. (C) In the immediate aftermath of the naval incidents there was little/no commentary from the Malaysian government or government-dominated press. Most Malaysian media outlets

did not report on the incident and Indonesian reactions, and most Malaysians were largely unaware that this was a bilateral issue at all. As the rhetoric in Indonesia built-up, however, pressure on the GOM to break its relative silence grew. Defense Minister Zahid Hamidi went public on June 7 explaining Malaysia's position and offering some proposals for both countries to jointly manage the situation.

Zahid said Malaysia would propose to Indonesia to close off the waters around Ambalat to patrol boats until the issue can be resolved, noting "its better that both countries concerned do not carry out patrols." He pointed out that Indonesian warships had ventured into Malaysian waters on 13 occasions, but that Malaysia would not make this an issue. (Comment: Zahid did not provide details regarding the 13 separate incidents, and we have no confirmation of this from any of our sources. Malaysian Navy contacts told DAO that they were not asked for any data, and they did not know the origin of this statistic. End Comment.) Zahid also stated that Malaysia would not bring up the matter with the International Court of Justice in The Hague. Zahid commented further on June 9 that "there is agreement that our Prime Minister and the Indonesian president don't issue official statements on Ambalat," and added "the lower levels of the country's administration (will) resolve the controversy."

MFA Official Says Issue is Manageable

¶4. (C) MFA Under Secretary for Southeast Asia, Adnan Haji Othman, told the Charge June 11 that the situation was "manageable" and that escalating tensions on this issue are

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largely attributable to Indonesian presidential election politics. In looking back over the record of Indonesian presidential campaigns over the past decade, Adnan noted that one or two months before the elections candidates typically try to outdo each other in burnishing their nationalistic credentials, and this year is no exception. Malaysia provides a convenient target for expressions of this kind of nationalism, he asserted. Adnan anticipated that this issue would fall off the radar shortly after the elections. Adnan noted that there were four demonstrations against the Malaysian embassy in Jakarta June 10, but "they were all staged" by supporters of the political candidates. With respect to government exchanges about the incident and the conflicting border claims, Adnan indicated that both defense ministers were telling their commanders to "calm down." Adnan noted that Malaysian Chief of Defense Forces (CDF) Abdul Aziz Zainal has been in Jakarta since June 9, although this has been overplayed in the Indonesian media as Zainal rushing to Jakarta to deal with the crisis; in reality, Zainal was already scheduled to be there for a conference scheduled long before the Ambalat issue flared up, according to Adnan.

¶5. (C) CDF Aziz returned from Jakarta to Kuala Lumpur late on June 12. According to a high-level Malaysian officer privy to Aziz's meetings in Jakarta who spoke with DAO on June 12, Aziz's discussions in Jakarta went smoothly. Both militaries agreed that, in the future, they would rather meet face to face than deal with the issue in the public domain. Overall, the Malaysia-Indonesia military relationship remains on a good footing despite the flare-up of the Ambalat issue in Indonesia, the DAO contact stated.

Malaysian Military Perspective

¶6. (S) DAO contacts in the Malaysian military indicate that Malaysia's defense posture in the disputed area has not changed since the naval encounters in Ambalat in late May and, if anything, the Malaysian military is going out of its way to appear relatively unconcerned about the rhetoric from Indonesia. Privately, though, we have heard from senior Malaysian naval officers and naval attaches from neighboring

countries that if the situation continues to escalate the risk of an unintended action resulting in an actual confrontation will rise. All opined that Indonesia has been somewhat irrational in its defense of its sovereignty since losing two islands in the area in the 2002 ICJ ruling.
(Comment: We believe that the Malaysian military has been surprised at how strongly the Indonesians have escalated a relatively routine "encounter" into a crisis, but Malaysian military and civilian officials are otherwise keeping their cool at this stage. End Comment.)

RAPSON